

services described in subparagraph (B) of such subsection)" after "75 percent".

(4) **EFFECTIVE DATE.**—The amendments made by this subsection and subsection (d) shall apply to health benefits coverage provided on or after October 1, 2008.

(b) **CLARIFICATION OF REQUIREMENT TO PROVIDE EPSDT SERVICES FOR ALL CHILDREN IN BENCHMARK BENEFIT PACKAGES UNDER MEDICAID.**—

(1) **IN GENERAL.**—Section 1937(a)(1) of the Social Security Act (42 U.S.C. 1396u-7(a)(1)) is amended—

(A) in subparagraph (A)—

(i) in the matter before clause (i), by striking "Notwithstanding any other provision of this title" and inserting "Subject to subparagraph (E)"; and

(ii) by striking "enrollment in coverage that provides" and all that follows and inserting "benchmark coverage described in subsection (b)(1) or benchmark equivalent coverage described in subsection (b)(2).";

(B) by striking subparagraph (C) and inserting the following new subparagraph:

"(C) **STATE OPTION TO PROVIDE ADDITIONAL BENEFITS.**—A State, at its option, may provide such additional benefits to benchmark coverage described in subsection (b)(1) or benchmark equivalent coverage described in subsection (b)(2) as the State may specify."; and

(C) by adding at the end the following new subparagraph:

"(E) **REQUIRING COVERAGE OF EPSDT SERVICES.**—Nothing in this paragraph shall be construed as affecting a child's entitlement to care and services described in subsections (a)(4)(B) and (r) of section 1905 and provided in accordance with section 1902(a)(43) whether provided through benchmark coverage, benchmark equivalent coverage, or otherwise.".

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall take effect as if included in the amendment made by section 6044(a) of the Deficit Reduction Act of 2005.

(c) **CLARIFICATION OF COVERAGE OF SERVICES IN SCHOOL-BASED HEALTH CENTERS INCLUDED AS CHILD HEALTH ASSISTANCE.**—

(1) **IN GENERAL.**—Section 2110(a)(5) of such Act (42 U.S.C. 1397jj(a)(5)) is amended by inserting after "health center services" the following: "and school-based health center services" and "services for which coverage is otherwise provided under this title when furnished by a school-based health center that is authorized to furnish such services under State law".

(2) **EFFECTIVE DATE.**—The amendment made by paragraph (1) shall apply to child health assistance furnished on or after the date of the enactment of this Act.

(d) **ASSURING ACCESS TO CARE.**—

(1) **STATE CHILD HEALTH PLAN REQUIREMENT.**—Section 2102(a)(7)(B) of such Act (42 U.S.C. 1397bb(c)(2)) is amended by inserting "and services described in section 2103(c)(5)" after "emergency services".

(2) **REFERENCE TO EFFECTIVE DATE.**—For the effective date for the amendments made by this subsection, see subsection (a)(5).

## SEC. 122. IMPROVING BENCHMARK COVERAGE OPTIONS.

(a) **LIMITATION ON SECRETARY-APPROVED COVERAGE.**—

(1) **UNDER CHIP.**—Section 2103(a)(4) of the Social Security Act (42 U.S.C. 1397cc(a)(4)) is amended by inserting before the period at the end the following: "if the health benefits coverage is at least equivalent to the benefits coverage in a benchmark benefit package described in subsection (b)".

(2) **UNDER MEDICAID.**—Section 1937(b)(1)(D) of the Social Security Act (42 U.S.C. 1396u-7(b)(1)(D)) is amended by inserting before the period at the end the following: "if the health benefits coverage is at least equivalent to the benefits coverage in benchmark

coverage described in subparagraph (A), (B), or (C)".

(b) **REQUIREMENT FOR MOST POPULAR FAMILY COVERAGE FOR STATE EMPLOYEE COVERAGE BENCHMARK.**—

(1) **CHIP.**—Section 2103(b)(2) of such Act (42 U.S.C. 1397(b)(2)) is amended by inserting "and that has been selected most frequently by employees seeking dependent coverage, among such plans that provide such dependent coverage, in either of the previous 2 plan years" before the period at the end.

(2) **MEDICAID.**—Section 1937(b)(1)(B) of such Act is amended by inserting "and that has been selected most frequently, by employees seeking dependent coverage, among such plans that provide such dependent coverage, in either of the previous 2 plan years" before the period at the end.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to health benefits coverage provided on or after October 1, 2008.

## SEC. 123. PREMIUM GRACE PERIOD.

(a) **IN GENERAL.**—Section 2103(e)(3) of the Social Security Act (42 U.S.C. 1397cc(e)(3)) is amended by adding at the end the following new subparagraph:

"(C) **PREMIUM GRACE PERIOD.**—The State child health plan—

(i) shall afford individuals enrolled under the plan a grace period of at least 30 days from the beginning of a new coverage period to make premium payments before the individual's coverage under the plan may be terminated; and

(ii) shall provide to such an individual, not later than 7 days after the first day of such grace period, notice—

(I) that failure to make a premium payment within the grace period will result in termination of coverage under the State child health plan; and

(II) of the individual's right to challenge the proposed termination pursuant to the applicable Federal regulations.

For purposes of clause (i), the term "new coverage period" means the month immediately following the last month for which the premium has been paid."

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to new coverage periods beginning on or after January 1, 2009.

## Subtitle D—Populations

## SEC. 131. OPTIONAL COVERAGE OF OLDER CHILDREN UNDER MEDICAID AND CHIP.

(a) **MEDICAID.**—

(1) **IN GENERAL.**—Section 1902(l)(1)(D) of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is amended by striking "but have not attained 19 years of age" and inserting "but is under 19 years of age (or, at the option of a State and subject to section 131(d) of the Children's Health and Medicare Protection Act of 2007, under such higher age, not to exceed 25 years of age, as the State may elect)".

(2) **CONFORMING AMENDMENTS.**—

(A) Section 1902(e)(3)(A) of such Act (42 U.S.C. 1396a(e)(3)(A)) is amended by striking "18 years of age or younger" and inserting "under 19 years of age (or under such higher age as the State has elected under subsection (1)(1)(D))" after "18 years of age".

(B) Section 1902(e)(12) of such Act (42 U.S.C. 1396a(e)(12)) is amended by inserting "or such higher age as the State has elected under subsection (1)(1)(D)" after "19 years of age".

(C) Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in clause (i), by inserting "or under such higher age as the State has elected under subsection (1)(1)(D)" after "as the State may choose".

(D) Section 1920A(b)(1) of such Act (42 U.S.C. 1396r-1a(b)(1)) is amended by inserting

"or under such higher age as the State has elected under section 1902(l)(1)(D)" after "19 years of age".

(E) Section 1928(h)(1) of such Act (42 U.S.C. 1396s(h)(1)) is amended by striking "18 years of age or younger" and inserting "under 19 years of age or under such higher age as the State has elected under section 1902(l)(1)(D)".

(F) Section 1932(a)(2)(A) of such Act (42 U.S.C. 1396u-2(a)(2)(A)) is amended by inserting "(or under such higher age as the State has elected under section 1902(l)(1)(D))" after "19 years of age".

(b) **TITLE XXI.**—Section 2110(c)(1) of such Act (42 U.S.C. 1397jj(c)(1)) is amended by inserting "(or, at the option of the State and subject to section 131(d) of the Children's Health and Medicare Protection Act of 2007, under such higher age as the State has elected under section 1902(l)(1)(D))".

(c) **EFFECTIVE DATE.**—Subject to subsection (d), the amendments made by this section take effect on January 1, 2010.

(d) **TRANSITION.**—In carrying out the amendments made by subsections (a) and (b)—

(1) for 2010, a State election under section 1902(l)(1)(D) shall only apply with respect to title XXI of such Act and the age elected may not exceed 21 years of age;

(2) for 2011, a State election under section 1902(l)(1)(D) may apply under titles XIX and XXI of such Act and the age elected may not exceed 23 years of age;

(3) for 2012, a State election under section 1902(l)(1)(D) may apply under titles XIX and XXI of such Act and the age elected may not exceed 24 years of age; and

(4) for 2013 and each subsequent year, a State election under section 1902(l)(1)(D) may apply under titles XIX and XXI of such Act and the age elected may not exceed 25 years of age.

## SEC. 132. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND CHIP.

(a) **MEDICAID PROGRAM.**—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraphs (2) and (4)"; and

(2) by adding at the end the following new paragraph:

"(4)(A) A State may elect (in a plan amendment under this title) to provide medical assistance under this title, notwithstanding sections 401(a), 402(b), 403, and 421 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, for aliens who are lawfully residing in the United States (including battered aliens described in section 431(c) of such Act) and who are otherwise eligible for such assistance, within either or both of the following eligibility categories:

(i) **PREGNANT WOMEN.**—Women during pregnancy (and during the 60-day period beginning on the last day of the pregnancy).

(ii) **CHILDREN.**—Individuals under age 19 (or such higher age as the State has elected under section 1902(l)(1)(D)), including optional targeted low-income children described in section 1905(u)(2)(B).

(B) In the case of a State that has elected to provide medical assistance to a category of aliens under subparagraph (A), no debt shall accrue under an affidavit of support against any sponsor of such an alien on the basis of provision of medical assistance to such category and the cost of such assistance shall not be considered as an unreimbursed cost."

(b) **CHIP.**—Section 2107(e)(1) of such Act (42 U.S.C. 1397gg(e)(1)), as amended by section 112(b), 112(d)(2), and 121(a)(2), is amended by redesignating subparagraphs (E) through (G)